

REGISTRAR OF COMPANIES

Cuckoo Hall Academies Trust

Annual Report and Financial Statements

Year ended 31 August 2016

Company Limited by Guarantee
Registration Number
07355559 (England and Wales)

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Reference and administrative details

Members

Dr D Graham (Chair)*
Prof. A O'Hear
Dr A Cullen #
Mr M Evans
Mr C Bond (appointed 13/12/2016)

Directors

Dr D Graham (Chair)*
Prof. A O'Hear*
Dr A Cullen #
Mr M Evans (resigned 18/07/2016) #
Mr M Charalambous (Ex-Officio)*
Prof. D M Hewitt (appointed 06/10/2016) #
Mrs A Kalutotage (appointed 06/10/2016) #
Mr A Laure (appointed 06/10/2016)*
Mrs S Rubenstein (appointed 13/12/2016)

*members of the Finance and Premises Committee
members of the Audit Committee

Company Secretary

Services provided by St Paul's Secretaries Limited

Senior Management Team

CEO	Mr Marino Charalambous
Head Teacher	Mrs Sharon Ahmet – Cuckoo Hall Academy
Head Teacher	Ms Emma Breckenridge – Enfield Heights Academy and Kingfisher Hall Primary Academy
Head Teacher	Mr David Penkert – Woodpecker Hall Primary Academy
Head Teacher	Mr Matthew Collins – Heron Hall Academy
Director of Finance	Mr Kyush Modasia
Director of Human Resources	Mr John Rolls

Principal and Registered Office

Cuckoo Hall Academy
Cuckoo Hall Lane
Edmonton
London
N9 8DR

Company Registration Number

07355559 (England and Wales)

Independent Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Reference and administrative details

Independent Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

National Westminster Bank
9 The Town
Enfield
Middlesex
EN2 6LH

Solicitors

Hill Dickson LLP
No 1 St Paul's Square
Liverpool
L3 9SJ

Trustees' Report 31 August 2016

The trustees present their annual report together with the financial statements and the auditor's reports on the charitable company for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trust operates 1 secondary and 4 primary academies in the Enfield area.

Following on from the EFA's Financial Notice to Improve (FNTI) issued in January 2015, the trustees now feel that governance is strong and the conditions relating to the FNTI have been met. Therefore, the trustees expect the FNTI to be lifted in the near future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust ("the Trust"). The trustees of Cuckoo Hall Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cuckoo Hall Academies Trust.

Details of the trustees who served on the board of the Trust are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Academy Trust.

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The trustees listed on page 1 were in office during the year and at the date of approval of these financial statements (except where indicated).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

As at 31 August 2016 the Academy Trust has the following trustees as set out in its articles of association and funding agreement:

- ◆ up to 9 trustees who are appointed by members;
- ◆ up to 5 chairs of the local governing bodies;
- ◆ up to 5 Head Teachers of the Academies;
- ◆ the Chief Executive Officer; and
- ◆ additional trustees can be appointed by the Secretary of State.

Trustees are appointed for a four year period, except for the Chief Executive Officer. Any election of the Academy Trust's directors which is contested shall be held by secret ballot.

Induction and training of trustees, governors and directors

Trustees of CHAT and governors on local governing bodies will vary in their experience. New trustees sign up to the Purpose and Role of the Trustee & Code of Practice which sets out what is expected of a trustee or governor. The training and induction includes an annual planned programme to cover key governance areas. A skills audit is carried out periodically and training commissioned on the basis of the outcome of the skills audit.

Organisational structure

Cuckoo Hall Academy, Woodpecker Hall Primary Academy, Kingfisher Hall Primary Academy, Enfield Heights Academy and Heron Hall Academy are governed by the Cuckoo Hall Academies Trust which delegates functions as appropriate to the individual School Governing Bodies, the governors of whom are appointed by the Academy Trust and include two parental representatives and one staff governor.

The organisational structure of the Academy Trust consists of three levels: the trustees, academy governors and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget for the Academy Trust, monitoring progress in each Academy on a financial and performance basis at a strategic level and calling to account the individual academy governing bodies and the Cuckoo Hall Academies Trust (CHAT) Senior Management Team for the progress in each academy. The trustees are also responsible for the appointment of senior staff in the Academy Trust, but may delegate appointments to the local governing body except for the appointment of a member of the CHAT Senior Management Team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The individual academy governing bodies, along with the Chief Executive, are responsible for monitoring the performance of the Head Teachers and their Senior Leadership Teams (SLT) on a regular basis.

The CHAT Senior Management Team members are the Chief Executive, Head Teachers of each of the academies, the Director of Human Resources and the Director of Finance. These managers control the Academy Trust at an executive level, implementing the policies laid down by the trustees and reporting back to them. As a group the senior managers are responsible for the authorisation of spending within agreed budgets and for the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust are the members, directors and Senior Management Team. Pay decisions at CHAT are ultimately made by the CHAT Board but are delegated to the Chief Executive and the Head Teachers of the individual academies. The CHAT Board determine the Chief Executive's pay, the pay of the Head Teachers and other members of the Senior Management Team in consultation with the Chief Executive Officer.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of Cuckoo Hall Academies Trust. There are no external sponsors.

Transactions with trustees and governors are set out in note 20 to the accounts.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Charitable Company is the operation of academies to provide a broad and balanced education including English, Mathematics and Science as all-ability inclusive schools.

Cuckoo Hall Academies Trust is responsible for the operation of Cuckoo Hall Academy, Woodpecker Hall Academy (which opened in September 2011), Kingfisher Hall Academy (which opened in September 2012), Enfield Heights Academy (which joined CHAT on 1 September 2014) and Heron Hall Academy (a new Secondary free school which opened in September 2013).

All academies established by Cuckoo Hall Academies Trust will:

- ◆ ensure that pupils attending CHAT schools are provided with high quality, excellent education;
- ◆ provide a broad, balanced and enriched curriculum, underpinned by high quality traditional, but engaging, subject teaching to promote all pupils' achievement;

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

- ◆ be at the heart of its community in providing excellent local education and be a first choice for parents. Through its success it will strive to raise aspirations for pupils and families in an area with high levels of deprivation and diversity;
- ◆ promote inclusion, and take into account pupils' individual and/or exceptional needs. Promote the sharing of fundamental British values to establish tolerance, respect and understanding both within the school community and the community as a whole;
- ◆ establish an admissions policy and admission arrangements which is in accordance with admissions law, and the DfE Codes of Practice;
- ◆ place an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN in accordance with the DfE's SEN Code of Practice;
- ◆ not charge in respect of admission to an academy, and the academy will only charge pupils where the law allows maintained schools to charge; and
- ◆ make provision for the teaching of religious education and for a daily act of collective worship at each academy.

The aims of the Cuckoo Hall Academies Trust are to:

- ◆ promote the quality of education provision and standards to ensure excellent outcomes for all pupils;
- ◆ share resources, expertise and provision across the family of CHAT schools ensuring value for money for all CHAT academies;
- ◆ be a self-sustaining and self-improving group of schools, with emphasis on continuing high quality training and development for school leaders, teachers, trainee teachers and support staff; and
- ◆ share our expertise and success with as many young people and communities as is possible.

Objectives, strategies and activities

The Key Priorities for the year are contained in the Cuckoo Hall Academy, Woodpecker Hall Academy, Kingfisher Hall Academy, Enfield Heights Academy and Heron Hall Academy Development Plans which are available from the Chief Executive Officer.

The key objectives for the Cuckoo Hall Academies Trust are to:

- ◆ make CHAT academies the primary and secondary school of first choice for parents in the area and be fully subscribed;

OBJECTIVES AND ACTIVITIES (continued)

Objects and strategies and activities (continued)

- ◆ become an employer of choice with considerable competition for vacancies; and
- ◆ ensure the successful establishment of Heron Hall Academy.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the board of trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The results for the year have been analysed out below:

Results	Cuckoo Hall	Woodpecker Hall	Kingfisher Hall	Enfield Heights	National
Year 1 Phonics	83%	93%	95%	88%	81%

Therefore all CHAT schools are performing above or significantly above National Expectations.

Key Stage 1:

- Reading					
'expected and above'	79%	80%	92%	96%	74%
'greater depth'	46%	50%	53%	64%	24%
- Writing					
'expected and above'	76%	77%	80%	92%	65%
'greater depth'	40%	33%	35%	32%	13%
- Maths					
'expected and above'	78%	78%	83%	92%	73%
'greater depth'	42%	33%	45%	48%	18%

Key Stage 2:

- Reading					
'expected and above'	55%	-	-	-	66%
'greater depth'	11%	-	-	-	19%
- Writing					
'expected and above'	73%	-	-	-	74%
'greater depth'	18%	-	-	-	15%
- Maths					
'expected and above'	54%	-	-	-	70%
'greater depth'	10%	-	-	-	17%

The combined 'expected and above' for reading, writing and maths was 43% at Cuckoo Hall (National 53%).

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

April 2016 saw the first full section 5 Ofsted Inspection of Enfield Heights Academy since they joined the CHAT network and the overall inspection grade was 'Outstanding' in all areas. When they joined CHAT 18 months ago, Enfield Heights was rated 'Requires Improvement' and this typifies how hard staff have worked to deliver such a great level of progress. This achievement has meant that all CHAT schools are now either Good or Outstanding.

Kingfisher Hall received a glowing letter of praise from the minister of state for school standards, Nick Gibb MP, congratulating the school on exemplary phonics test results. The academy is now in the top eight per cent in the country after receiving a 95 per cent pass rate for the Statutory Year 1 Phonics Test in 2016. The school received a similar letter in 2015 for obtaining the same, exemplary pass rate.

Key financial performance indicators

Staffing Ratio

The cost of staffing salaries as a proportion of the total expenditure (excluding capital works and depreciation) was 79% (2015: 75%).

Pupil numbers

Pupil numbers continue to rise in line with the plans across the Cuckoo Hall Academies Trust schools. They are shown below for each individual academy:

2015-16					
Year Group	Cuckoo Hall	Enfield Heights	Heron Hall	Kingfisher Hall	Woodpecker Hall
Nursery	102	-	-	49	50
Reception	120	25	-	60	60
Year 1	120	25	-	60	60
Year 2	120	25	-	60	60
Year 3	120	25	-	60	59
Year 4	120	-	-	-	59
Year 5	120	-	-	-	-
Year 6	120	-	-	-	-
Year 7	-	-	92	-	-
Year 8	-	-	88	-	-
Year 9	-	-	84	-	-
Total	942	100	264	289	348

Other Key Financial Performance Indicators

The range of key performance indicators that trustees may like to consider is constantly under review. Trustees consider it essential that they utilise a range of key financial performance indicators that are relevant and applicable to monitoring the performance of the Academy Trust.

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Pupil Premium

The Academy Trust acknowledges the responsibility for 'socially disadvantaged' pupils and we are committed to meeting their pastoral, social and academic needs within the academies environment. We are committed to 'Diminishing the Gap' between vulnerable pupils and the pupil premium forms a vital part of that process. CHAT Academies approach the pupil premium through the following principles:

- ◆ ensuring that teaching and learning opportunities meet the needs of all the pupils;
- ◆ ensuring that appropriate provision is made for pupils who belong to vulnerable groups, including ensuring the needs of socially disadvantaged pupils are adequately assessed and addressed; and
- ◆ recognising that not all pupils who receive free school meals will be socially disadvantaged or that not all pupils who are socially disadvantaged are registered or qualify for free school meals.

Provision is made through:

- ◆ enabling pupils access to well-planned education;
- ◆ enabling pupils' access to an appropriately planned curriculum; and
- ◆ additional support and intervention within the Academy environment.

This will take the form of the following provision:

- ◆ small group matched level daily English and Mathematics teaching thus overcoming gaps in learning and accelerating progress;
- ◆ 1:1 and small group tutorials in English and Mathematics thus ensuring that all pupils make the best possible progress with no pupils 'slipping through the net';
- ◆ intervention programmes to promote behaviour, social skills, expressive language development and homework/curriculum support;
- ◆ enrichment programmes to widen pupils' experiences and knowledge through well planned cultural visits and events;

ACHIEVEMENTS AND PERFORMANCE (continued)

Key financial performance indicators (continued)

Pupil Premium (continued)

- ◆ support from trained staff to promote excellent attendance and punctuality, pastoral programmes and family support;
- ◆ additional teaching and learning opportunities provided through learning mentor, counsellor, Educational Psychologist, behaviour support manager, trained TAs and external agencies;
- ◆ reducing class sizes thus improving learning opportunities;
- ◆ breakfast and afterschool care;
- ◆ after school homework and learning clubs;
- ◆ after school curriculum clubs including provision for the more able;
- ◆ personalised provision, tailor made to suit individual need;
- ◆ speech language and communication provision;
- ◆ behaviour, emotional and social skills provision;
- ◆ targeting of able children on Free Schools Meals to achieve National Curriculum level 3 at the end of KS1 or level 5 at the end of KS2; and
- ◆ Educational Welfare Officer's commitment to improve attendance.

Pupil Premium of £898,191 was received in financial year 2016 (compared to £783,132 in 2015) and this is being used to provide additional support from teaching assistants, a learning mentor, a behaviour support manager, speech and language specialists, English as an Additional Language support and a counsellor to provide 1:1 and small group tuition.

Going concern

After making appropriate enquiries the trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on pages 28 to 34.

FINANCIAL REVIEW

Financial report for the year

The financial position of the Academy Trust at the year ended 31 August 2016 is shown on page 26.

The vast majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust has also received grants for fixed assets from the DfE for the building costs of Heron Hall Academy. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

Financial and risk management objectives and policies

The Academy Trust has agreed a risk management strategy, a risk register and a risk management plan. These have been discussed by the trustees and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed through the Audit Committee on a regular basis.

Principal risks and uncertainties

The Academy Trust's principal risks and uncertainties are surrounding the future financing of education and the implications for the Academy Trust. In the current economic climate, we are unable to predict with any certainty the financing of schools, especially with the current proposals to move to a new National Funding Formula. Nevertheless with the academies' cost base, future growth in pupil numbers and additional funding as an Academy Trust we believe we are well placed to meet the financial uncertainties we will face in the future. The trustees seek to ensure that there are appropriate structures to meet the needs of the organisation as a Multi-Academy Trust.

The trustees have considered strategic risks and uncertainties rather than the detailed operational list. These strategic risks, in addition to the risks identified above, focused on the following areas:

- ◆ Financial Notice to Improve fails to be lifted, although the trustees believe this to now be a low risk following the recent visit and positive comments of the Schools Commissioner;
- ◆ cost pressures on revenue budgets for all schools make setting a balanced budget for the next 3 years a real challenge; and
- ◆ drop in KS2 results in Cuckoo Hall in Summer 2016 not a one-off occurrence.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

Trustees identify the likelihood of each risk happening via RAG ratings, their impact, the response to the risk and the control procedures in place to meet the risk.

To mitigate risks, the trust has recently updated its' two-year strategic plan which filters down to the academies and their individual Development Plans that are reviewed monthly. The purpose of this drive is to ensure that our outcomes are successful and we meet the needs of our pupils. Improved financial management and infrastructure have given CHAT a strong platform for growth. Following a thorough audit of our governance structure and procedures, the Academy Trust is now confident that best practice is being followed.

Reserves policy

The trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees expect to see the revenue budget for the coming financial year to be balanced within that year's income and not to utilise any of the previous year's underspend in order to balance the budget. Reserves, from any previous year's underspend, may be utilised for infrastructure or for urgent health and safety matters. The trustees have concurred this should be set at £1.25million and feel this is sufficient to meet the needs of the trust in the future. The Academy Trust's current level of reserves (total funds less the amounts held as fixed asset funds and pension reserve) is £1,412,000 (2015: £659,000) which is in line with the policy.

Investment policy

The Academy Trust currently holds no investments. Current accounts are held with National Westminster bank and any surplus funds above £1,000 are swept at the end of the banking day to a Business Interest Reserve Account which pays a higher rate of interest. Any identified funds that will not be required for a fixed period of time of at least a year will then be invested in a higher interest bearing account.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to improve the levels of performance of all its pupils at all levels. Detailed plans for the development of Cuckoo Hall, Woodpecker Hall, Enfield Heights, Heron Hall and Kingfisher Hall academies are contained within their respective Development Plans.

Major developments planned for future periods are:

- ◆ preparing for Ofsted visits;
- ◆ bidding for further provision where local need is identified; and
- ◆ organic growth of Heron Hall Academy into an eight form of entry secondary free school. This successfully moved to the new Ponders End site in May 2016.

PLANS FOR FUTURE PERIODS (continued)

The key objectives for Cuckoo Hall Academies Trust are:

Attainment & Progress

- ♦ to ensure that overall standards by end of Key Stage 1 and 2 for 2017 are above or in line with national performance.

Leadership & Management

- ♦ ensure continuity of high quality educational provision at CHAT during the opening of further free schools;
- ♦ strengthen the effectiveness of the SMT leadership function as the CHAT organisation develops;
- ♦ implement an effective whole school self-evaluation reporting system in line with the most recent Ofsted Framework;
- ♦ implement the new Standards for Teachers as part of an updated Appraisal and Capability Policy;
- ♦ ensure that the School Direct funded newly introduced Teacher Training programme is successfully implemented; and
- ♦ provide planned leadership training and support for all year group leaders to ensure effective middle leadership across the whole school and to develop future leaders for the benefit of the whole organisation.

Quality of Teaching

- ♦ ensure that all class teachers are able to deliver good lessons, with the aim being that the majority of lessons will become Good or Outstanding by the end of this academic year; and
- ♦ ensure that Newly Qualified Teachers (NQT's) are thoroughly trained and supported so that their teaching is at least Good by the end of the academic year.

Curriculum

- ♦ establish an implementation plan to introduce knowledge for all across the Curriculum for all subjects; and
- ♦ ensure that all subject leaders are effective in the implementation and monitoring of their subject.

Spiritual, Moral, Social and Cultural Development

- ♦ ensure that there is focussed monitoring by SLT of all childrens' engagement in lessons; and
- ♦ ensure that there are positive relationships throughout the school.

PLANS FOR FUTURE PERIODS (continued)

Parents and Community

- ◆ ensure an annual planned programme of events to promote parents' involvement and knowledge of the school;
- ◆ improve and strengthen the ways in which the school can evaluate parents' views on a regular basis;
- ◆ ensure that pupils, or the vast majority of them are well equipped to succeed in secondary education and beyond;
- ◆ provide a wide range of extra-curricular activities that, together with the whole educational experience provided by the academies, develop pupils' attitudes of self-reliance, personal responsibility, self-discipline and leadership;
- ◆ provide an inclusive approach to learning, recognising the right of every child and young person (irrespective of age, gender, ethnicity or disability) to be included as a valued, respected and equal member of the learning community;
- ◆ enable pupils to participate in shaping the development of the Academy's broad approach to learning, particularly to their own learning;
- ◆ engage with parents and the wider community in the best interests of the pupils and staff at the school; and
- ◆ achieve Outstanding grades in Ofsted inspections of overall effectiveness in all categories.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS


There are no funds held as custodian trustee on behalf of others.

AUDITOR

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the board of trustees on 13 December 2016 and signed on its behalf by:


D Graham
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Cuckoo Hall Academies Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The trustees have delegated the day-to-day responsibility to the Chief Executive as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities.

Working with the EFA to meet the requirements of the FNTI, the Academy Trust has done the following:

- ◆ Reviewed a number of policies, including pay and purchasing;
- ◆ Implemented a new scheme of delegation;
- ◆ Updated the articles of association;
- ◆ Improved the level of expertise on the board of trustees by appointing five additional trustees with a broad range of experience and skills;
- ◆ Revisited and updated its Declarations of Interest;
- ◆ Commissioned Hill Dickinson to complete a comprehensive Governance Review; and
- ◆ Submitted regular reports to the EFA, from which no further issues arose.

The trustees expect the FNTI to be lifted in the near future.

The board of trustees has formally met 4 times during the year, and attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr M Charalambous	4	4
Dr D Graham	4	4
Prof A O'Hear	4	4
Dr A Cullen	4	4
Mr M Evans	4	4

GOVERNANCE STATEMENT (continued)

Governance (continued)

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to assist the board in ensuring sound management of the Academy Trust's finances and resources, including proper planning and monitoring and ensuring that there is probity. The committee recommended approval of the budgets for 2016-17 for CHAT and its academies, as well as monitoring in-year financial performance.

Attendance at Finance and Premises meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr M Charalambous	3	3
Dr D Graham	3	3

The Audit Committee operated through the 2015/16 academic year, as a sub-committee of the main board of trustees. Its purpose is to consider matters relating to internal controls, risk management and auditors' reports (internal and external). Attendance at the Audit Committee was as follows:

Director	Meetings attended	Out of a possible
Dr D Graham	1	2
Dr A Cullen	2	2
Mr M Evans	2	2
Prof A O'Hear	1	2

Review of Value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year as per the following:

- ♦ We satisfied the EFA request to accommodate One Degree Academy in our Heron Hall site for 3 to 4 years until their site is complete. This has yielded an annual rent of £45,000 for the next three years and £65,000 should they use our site for a fourth year.
- ♦ We have reviewed all our contracts in relation to ICT, Legal, Premises and Facilities Management, Utilities, HR etc. and consequently we cancelled underperforming contractors and negotiated better deals. This contributed significantly to the surplus we have achieved during the year.

GOVERNANCE STATEMENT (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- ◆ regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

GOVERNANCE STATEMENT (continued)

The risk and control framework (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed an external firm to undertake a range of checks on the Academy Trust's financial systems. During the year an external organisation visited the Academy Trust on a termly basis to carry out these checks and reported their findings to the Academy Trust. These reports were presented to and reviewed by the Audit Committee. The reports look at the operation of the systems of control and the discharge of the board of trustees financial responsibilities.


Review of effectiveness

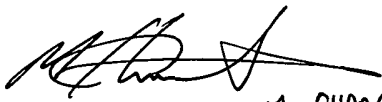
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the external firm reviewing the financial systems;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Management Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance and Premises Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees and signed on their behalf by:


D GRAHAM
(Chair of Trustees)


M CHARALAMBOUS
(Accounting Officer)

Approved on: 13 December 2016

Statement on regularity, propriety and compliance 31 August 2016

As Accounting Officer of Cuckoo Hall Academies Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A handwritten signature in black ink, appearing to be 'M. A.', with a long horizontal stroke extending to the right.

Accounting Officer

Date: 13 December 2016

Statement of trustees' responsibilities 31 August 2016

The trustees (who act as governors of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:


- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 13 December 2016 and signed on its behalf by:


D Graham
Chair of Trustees

Independent auditor's report on the financial statements to the Members of Cuckoo Hall Academies Trust

We have audited the financial statements of Cuckoo Hall Academies Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees act as trustees for the charitable activities of Cuckoo Hall Academies Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report, including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 August 2016

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

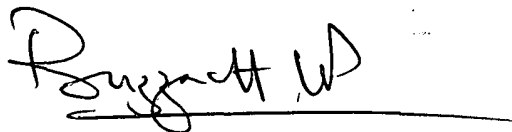
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ the Academy Trust has not kept adequate accounting records; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 December 2016

Independent reporting accountant's report on regularity 31 August 2016

Independent reporting auditor's assurance report on regularity to Cuckoo Hall Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cuckoo Hall Academies Trust during the period from 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cuckoo Hall Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cuckoo Hall Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cuckoo Hall Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cuckoo Hall Academies Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Cuckoo Hall Academies Trust's funding agreement with the Secretary of State for Education dated 19 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on-regularity:

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Independent reporting accountant's report on regularity 31 August 2016

Approach (continued)

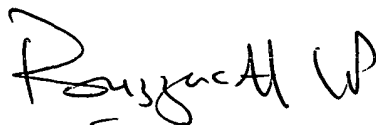
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

Nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

22 December 2016

Statement of financial activities (including income and expenditure account) Year to 31 August 2016

		Unrestricted general fund £'000	Restricted funds		2016 Total funds £'000	2015 Total funds £'000
			General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	—	—	15,479	15,479	7,130
Charitable activities						
Funding for the academies' educational operations	4	—	11,116	—	11,116	9,873
Other trading activities	2	479	—	—	479	369
Investments	3	8	—	—	8	4
Total income		487	11,116	15,479	27,082	17,376
Expenditure on:						
Raising funds	5	315	—	—	315	324
Charitable activities						
Academies' educational operations	6	—	10,649	1,103	11,752	10,388
Total expenditure		315	10,649	1,103	12,067	10,712
Net income		172	467	14,376	15,015	6,664
Transfers between funds	16	—	(60)	60	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	19	—	(1,176)	—	(1,176)	126
Net movement in funds		172	(769)	14,436	13,839	6,790
Reconciliation of funds						
Total fund balances brought forward at 1 September 2015		270	(344)	21,851	21,777	14,987
Total fund balances carried forward at 31 August 2016		442	(1,113)	36,287	35,616	21,777

All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible fixed assets	13		36,265		21,851
Current assets					
Debtors	14	3,106		1,497	
Cash at bank and in hand		1,895		1,767	
		5,001		3,264	
Liabilities					
Creditors: amounts falling due within one year	15	(3,589)		(2,605)	
Net current assets			1,412		659
Total assets less current liabilities			37,677		22,510
Net assets excluding pension scheme liability			37,677		22,510
Defined benefit pension scheme liability	19		(2,061)		(733)
Total net assets			35,616		21,777
Funds of the Academy					
Restricted funds					
. Fixed asset fund	16		36,287		21,851
. Restricted EFA fund	16		813		386
. Other restricted funds	16		135		3
. Pension reserve	16		(2,061)		(733)
Total restricted funds			35,174		21,507
Unrestricted income funds					
. General fund	16		442		270
Total funds			35,616		21,777

The financial statements on page 25 to 47 were approved by the trustees, and authorised for issue on 13 December 2016 and are signed on their behalf by:


 D GRAHAM
 Chair

Cuckoo Hall Academies Trust
 Company Limited by Guarantee
 Registration Number: 07355559 (England and Wales)

Statement of cash flows Year to 31 August 2016

		2016 £'000	2015 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	158	1,481
Cash flows from investing activities	B	(30)	(92)
Change in cash and cash equivalents in the year		128	1,389
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2015		1,767	378
Cash and cash equivalents at 31 August 2016	C	1,895	1,767
A Reconciliation of income to net cash flow from operating activities			
		2016 £'000	2015 £'000
Net income for the year (as per the statement of financial activities)		15,015	6,721
Adjusted for:			
Other obligations transferred		—	(2,191)
Depreciation charges (note 13)		1,103	638
Capital grants from DfE and other capital income		(15,479)	(4,831)
Interest receivable (note 3)		(8)	(4)
Defined benefit pension scheme cost less contributions payable (note 19)		130	103
Defined benefit pension scheme finance cost (note 19)		22	(20)
Increase in debtors		(1,609)	(983)
Increase in creditors		984	2,048
Net cash provided by operating activities		158	1,481
B Cash flows from investing activities			
		2016 £'000	2015 £'000
Dividends, interest and rents from investments		8	4
Purchase of tangible fixed assets		(15,517)	(4,927)
Capital grants from DfE/EFA		15,479	4,831
Net cash provided by (used in) investing activities		(30)	(92)
C Analysis of cash and cash equivalents			
		2016 £'000	2015 £'000
Cash at bank and in hand		1,895	1,767
Total cash and cash equivalents		1,895	1,767

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cuckoo Hall Academies Trust meets the definition of a public benefit entity under FRS 102.

Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Cuckoo Hall Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cuckoo Hall Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Transition to FRS 102 (continued)

Explanation of transition to FRS 102 (continued)

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

A reconciliation and description of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income	2015 £'000
Net income previously reported under UK GAAP	6,721
Change in recognition of LGPS interest and staff cost (A)	(57)
Net income reported under FRS 102	6,664

A – Change in recognition of LGPS interest and staff cost

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets within net income. Under FRS 102 a net interest expense and staff cost, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce net income by £60,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Income (continued)

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure (continued)

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

- ♦ Freehold and leasehold buildings 50 years
- ♦ Fixtures, fittings and equipment 5 years
- ♦ Motor vehicles 5 years

A full year of depreciation is charged in the year of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, London Borough of Enfield.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements which are considered to have had a significant impact.

Notes to the Financial Statements Year to 31 August 2016

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Capital grants	—	15,479	15,479	4,831
Donated fixed assets	—	—	—	2,289
Other donations	—	—	—	10
	—	15,479	15,479	7,130

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Trip income	64	—	64	43
Catering income	247	—	247	178
Miscellaneous income	168	—	168	148
	479	—	479	369

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Interest receivable	8	—	8	4
	8	—	8	4

4 Funding for academies' educational operations

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
DfE/EFA grants				
General Annual Grant (GAG)	—	8,747	8,747	6,813
Start Up Grants	—	—	—	383
Other DfE/EFA grants	—	1,475	1,475	1,703
	—	10,222	10,222	8,899
Other Government grants				
Local authority grants	—	834	834	895
Special educational projects	—	60	60	79
	—	894	894	974
2016 total funds	—	11,116	11,116	9,873

Notes to the Financial Statements Year to 31 August 2016

5 Expenditure

	Staff costs £'000	Non pay expenditure		2016 Total funds £'000	2015 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds	115	—	200	315	335
Academy's educational operations					
· Direct costs	6,510	1,103	538	8,151	7,184
· Allocated support costs	2,058	616	927	3,601	3,204
2016 total funds	8,683	1,719	1,665	12,067	10,710

	2016 £'000	2015 £'000
Net income for the year includes:		
Depreciation	1,103	638
Fees payable to auditor		
· Statutory audit	15	12
· Other services	12	10

During the year, one non-contractual severance payment of £15,000 was paid (2015 – 2 payments of £8,441 and £4,086)

6 Charitable activities – academies' educational operations

	2016 Total funds £'000	2015 Total funds £'000
Direct costs	8,151	7,184
Support costs	3,601	3,204
	11,752	10,388

	2016 Total funds £'000	2015 Total funds £'000
Analysis of support costs		
Support staff costs	2,058	1,610
Technology costs	189	139
Premises costs	616	478
Other support costs	576	721
Governance costs	162	243
Total support costs	3,601	3,191

Notes to the Financial Statements Year to 31 August 2016

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

		Unrestricted general fund £'000	Restricted funds General £'000	Fixed assets fund £'000	2015 Total funds £'000
Income from:					
Donations and capital grants	1	7	91	7,032	7,130
Charitable activities					
· Funding for the academies' educational operations	4	—	9,873	—	9,873
Other trading activities		368	1	—	369
Investments		4	—	—	4
Total income		379	9,965	7,032	17,376
Expenditure on:					
Raising funds		324	—	—	324
Charitable activities					
· Academies' educational operations	6	—	9,750	638	10,388
Total expenditure	5	324	9,750	638	10,712
Net income (expenditure)		55	215	6,394	6,664
Transfers between funds		—	(95)	95	—
Other recognised gains and losses					
Actuarial gains (losses) on defined benefit pension scheme	19	—	126	—	126
Net movement in funds		55	246	6,489	6,790

8 Staff

(a) Staff costs

Staff costs during the year were:

	2016 Total funds £'000	2015 Total funds £'000
Wages and salaries	6,932	6,005
Social security costs	480	379
Pension costs	916	817
	8,328	7,201
Supply staff costs	340	358
Staff restructuring costs	15	13
	8,683	7,572

Notes to the Financial Statements Year to 31 August 2016

8 Staff (continued)

(a) Staff costs (continued)

	2016 £'000	2015 £'000
Staff restructuring costs comprise		
Severance payments	15	13
	15	13

Severance payments for the year ended 31 August 2016 totalled £15,000 (2015 - £12,527). This was one payment of £15,000 (2015 - two payments of £8,441 and £4,086).

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2016 expressed as average headcount was as follows:

Charitable activities	2016 No	2015 No
Teachers	111	110
Administration and support	256	228
Management	5	6
	372	344

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2016 No	2015 No
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	2	2
£90,001 - £100,000	2	1
£100,001 - £110,000	—	1

Five of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme. Details of these schemes are provided in note 19.

(d) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £565,165 (2015: £657,399).

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	2016 £'000	2015 £'000
Mrs P Sowter, Principal		
. Remuneration	35 - 40	105 - 110
. Employer's pension contributions	—	10 - 15
Mr M Charalambous, CEO*		
. Remuneration	0 - 5	—
. Employer's pension contributions	0 - 5	—

During the year ended 31 August 2016, travel and subsistence expenses totalling £71 (2015: £128) was reimbursed to 2 trustees (2015: 2) in their role as trustees.

Mr M Charalambous was formally appointed CEO from 1 August 2016. Other related party transactions prior to this period are set out in note 20.

11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- ◆ human resources;
- ◆ financial services;
- ◆ legal services;
- ◆ company secretarial;
- ◆ educational support services; and
- ◆ operational support.

The Trust charges for these services on the basis of a combination of head count and pupil numbers.

The actual amounts charged during the year were as follows:

	2016 £'000	2015 £'000
Cuckoo Hall Academy	710	894
Heron Hall Academy	261	173
Kingfisher Primary Academy	219	220
Woodpecker Hall Academy	351	328
Enfield Heights Academy	114	90
	1,655	1,705

12 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within a wider policy (as in 2015).

13 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under const- ruction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost/valuation						
At 1 September 2015	13,293	3,525	5,089	1,467	34	23,408
Additions	—	—	14,759	758	—	15,517
Transfers	—	15,748	(15,748)	—	—	—
At 31 August 2016	13,293	19,273	4,100	2,225	34	38,925
Depreciation						
At 1 September 2015	560	364	—	616	17	1,557
Charge in year	266	385	—	445	7	1,103
Disposals	—	—	—	—	—	—
At 31 August 2016	826	749	—	1,061	24	2,660
Net book value						
At 31 August 2016	12,467	18,524	4,100	1,164	10	36,265
At 31 August 2015	12,733	3,161	5,089	851	17	21,851

The land on which Cuckoo Hall and Enfield Heights are sited is owned by the Academy Trust. For the purposes of these financial statements, the freehold land is deemed to have no commercial value.

The land on which Woodpecker Hall Academy is sited is currently leased from the London Borough of Enfield at a peppercorn rent over a term of 125 years. The land on which Kingfisher Hall Academy is sited is currently leased from the College of Haringey, Enfield and North East London at a peppercorn rent over a term of 125 years. The land on which Heron Hall Academy is sited is currently leased from the Secretary of State for Communities and Local Government at a peppercorn rent over a term of 125 years. The value of the leasehold land has not been included in these financial statements because the sites are designated for educational purposes only and have no open market value.

14 Debtors

	2016 £'000	2015 £'000
Trade debtors	8	31
VAT recoverable	483	272
Other debtors	2,496	892
Prepayment and accrued income	119	302
	3,106	1,497

Notes to the Financial Statements Year to 31 August 2016

15 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	1,597	256
Taxation and social security	177	121
EFA creditor: capital work VAT	199	728
Other creditors	(1)	53
Accruals and deferred income	1,617	1,447
	3,589	2,605
Deferred income		
Deferred income at 1 September 2015	186	79
Resources deferred in the year	191	186
Released during the year	(186)	(79)
Deferred income at 31 August 2016	191	186

16 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
EFA revenue grant fund					
. General Annual Grant (GAG)	386	8,747	(8,332)	12	813
. Pupil Premium	—	898	(898)	—	—
. Other DfE/EFA grants	—	577	(577)	—	—
. Pension reserve	(733)	—	(152)	(1,176)	(2,061)
	(347)	10,222	(9,959)	(1,164)	(1,248)
Restricted fixed assets fund					
. Transfer on conversion	6,154	—	—	—	6,154
. DfE/EFA capital grants	15,336	15,440	(1,103)	—	29,673
. Capital expenditure from GAG	276	—	—	60	336
. Capital expenditure - other restricted	8	39	—	—	47
. Private sector capital sponsorship	77	—	—	—	77
	21,851	15,479	(1,103)	60	36,287
Other restricted funds					
. Local authority grants	—	894	(690)	(72)	132
. Other restricted funds	3	—	—	—	3
	3	894	(690)	(72)	135
Total restricted funds	21,507	26,595	(11,752)	(1,176)	35,174
Unrestricted funds					
. General funds	270	487	(315)	—	442
Total unrestricted funds	270	487	(315)	—	442
Total funds	21,777	27,082	(12,067)	(1,176)	35,616

16 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG)

The General Annual Grant (GAG) represents the core funding for the educational activities of the academies that has been provided to the Academy Trust via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies. GAG was received for all CHAT academies in 2016.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. Future GAG funding from the EFA is expected to be sufficient to fund the deficit.

The other restricted grants represent incoming resources for the following specific purposes:

DfE – Kingfisher Hall Primary Academy Project.

The DfE has pledged grants for Kingfisher Hall Academy to cover the costs of project management and educational services and lead-in costs to cover the set-up and preparation of the opening of Kingfisher Hall Academy.

Other DfE/EFA Grants

This is comprised of other funding received either from the EFA or DfE; mainly EYFS and SENCO funding.

Local Authority Grants

Local authority funding comprises SEN and Early Years funding.

Restricted fixed assets fund

The donated fixed assets on conversion and acquisition fund was set up to recognise the tangible assets gifted to the Academy Trust upon conversion by the local authority, which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital Expenditure from GAG and the Capital Expenditure from Unrestricted Funds have been set up to recognise the tangible assets purchased using GAG funding or the unrestricted funds respectively. Depreciation charged on these purchased assets is allocated to the funds.

Notes to the Financial Statements Year to 31 August 2016

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	2016 £'000
Cuckoo Hall Academy	602
Woodpecker Hall Academy	385
Kingfisher Hall Academy	196
Heron Hall Academy	66
Enfield Heights Academy	141
Central Trust	—
Total before fixed assets and pension reserve	1,390
Restricted fixed asset fund	36,287
Pension reserve	(2,061)
Total	35,616

Analysis of Academies by cost

Expenditure incurred by each academy during the year was as follows (excluding depreciation which is not allocated between entities):

	Teaching and Educational Support Staff Costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (excluding depreciation) £'000	2016 Total £'000
Cuckoo Hall Academy	2,716	469	74	716	3,975
Woodpecker Hall Academy	1,042	80	77	202	1,401
Kingfisher Hall Academy	871	164	29	231	1,295
Heron Hall Academy	1,419	107	76	223	1,825
Enfield Heights Academy	403	73	37	168	681
Central Trust	—	1,209	—	426	1,635
	6,451	2,102	293	1,966	10,812

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	—	—	36,265	36,265
Current assets	458	4,521	22	5,001
Current liabilities	—	(3,589)	—	(3,589)
Pension scheme liability	—	(2,061)	—	(2,061)
Total net assets	458	(1,129)	36,287	35,616

18 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

19 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Enfield. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £495,000 (2015: £428,978).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £428,000, of which employer's contributions totalled £298,000 and employees' contributions totalled £130,000. The agreed contribution rates for future years are 14.5% for employers and 5.5-10% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment / inflation	2.0	2.0
Discount rate for scheme liabilities	2.0	3.8
Inflation assumption (RPI)	3.1	3.1
Inflation assumption (CPI)	2.0	2.0
Pension accounts revaluation rate	2.0	2.0

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	25	25
Females	28	28
<i>Retiring in 20 years</i>		
Males	27	27
Females	30	30

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,472	999
Bonds	646	573
Property	234	168
Cash and other assets	814	621
Total market value of assets	3,166	2,361

The actual return on scheme assets was £475,000 (2015: £82,000).

Amounts recognised in statement of financial activities	2016 £	2015 £
Current service costs (net of employee contributions)	409	383
Past service costs	18	—
Net interest cost	—	—
Total operating charge	427	383

Notes to the Financial Statements Year to 31 August 2016

19 Pension and similar obligations (continued).

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2016 £'000	2015 £'000
At 1 September 2015	(3,094)	(2,625)
Upon conversion	—	(26)
Current service cost	(409)	(383)
Interest cost	(118)	(100)
Employee contributions	(130)	(115)
Actuarial (gain)/loss	(1,555)	122
Benefits paid	97	33
Past service costs	(18)	—
At 31 August 2016	(5,227)	(3,094)

Changes in the fair value of the Academy's share of scheme assets:	2016 £'000	2015 £'000
At 1 September 2015	2,360	1,914
Upon conversion	—	17
Interest income	96	78
Actuarial gain/(loss)	379	4
Employer contributions	298	266
Employee contributions	130	115
Benefits paid	(97)	(33)
At 31 August 2016	3,166	2,361

20 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

M Charalambous, a member until 18 July 2016, has a 50% share in Creative Link Limited with his wife holding the other 50% share. Transactions totalling £61,200 (2015 - £540) with this company took place during the year on an arm's length basis. These relate to an organisational review undertaken at the start of the year and then to payments made following the retirement of the previous CEO, when M Charalambous stepped down as a trustee to become the interim CEO. From 1 August 2016, M Charalambous was appointed CEO, with relevant remuneration disclosures made in note 10. No amounts were due to or from Creative Link Limited as at 31 August 2016 (2015 - £nil).

21 Capital commitments

	2016 £'000	2015 £'000
Contracted for, but not provided in the financial statements	1,978	16,853